

with adequate provision for maintaining such capability. Such capability may be provided by trained State personnel or through qualified contractors;

(4) Except as provided in paragraph (a)(6) of this section, an administrative hearing whenever the owner or operator of a source submits a petition for reconsideration of a notice of non-compliance on the ground that the source either is not in violation of applicable legal requirements, or is entitled to an exemption, or both, or submits a petition to challenge a recalculation of the penalty by the State, provided that such petitions raise issues of fact that would require a hearing under part 66. This hearing need not conform to the requirements of 5 U.S.C. 554 as long as its procedures provide for:

- (i) An initial decision by the hearing officer on the record;
- (ii) A hearing officer who has not performed investigative or litigating functions in any enforcement action against the source owner or operator in question;
- (iii) Opportunity for public participation on reasonable notice, including intervention, by interested persons;
- (iv) Opportunity for cross-examination or an equivalent opportunity for confrontation between persons advocating differing positions on material factual matters; and
- (v) An initial decision by the hearing officer within ninety days of commencement of the hearing unless such period is extended upon agreement of the parties.

(5) Explicit provision for:

(i) Notice to the Administrator of any determination granting an exemption, or finding a source in violation of applicable legal requirements, and any penalty calculation and payment schedule approved or calculated by the State, together with any information necessary to verify its accuracy;

(ii) Within 30 days of receipt of a request from the Administrator, transmission of a copy of the record of the hearing held under paragraph (a)(4) or (6) of this section, including any proffered evidence and a ruling on its admissibility and the State's decision on the merits; and

(iii) Additional reporting and record-keeping, if necessary, adequate to enable the Administrator to review the State's administration of the program and determine whether it conforms to the Act and to part 66 of these regulations. Such requirements will be specified in the Notice of Delegation to the State.

(6) A hearing on the question of whether the owner or operator of a source is entitled to an exemption pursuant to § 66.32 or 66.33 may be informal. The hearing shall be scheduled upon notice to the public. Reasonable opportunity to testify and for submission of questions to the petitioner by members of the public shall be afforded. A record of the hearing shall be made, and the decision of the hearing officer made in writing within a reasonable period of time after the close of the hearing.

(c) The State may delegate all or part of its responsibilities under its program to a local governmental agency to implement the program within the jurisdiction of the local agency, *Provided* that the program of the local government agency meets the requirements of this section.

(d) No State penalty program or program of one of its agents shall be disapproved because it is more stringent than the program established by part 66 or by section 120 where the State or local agent concludes that it has independent authority under State or local law to implement and administer the more stringent portions of the program.

[45 FR 50117, July 28, 1980, as amended at 54 FR 25259, June 14, 1989]

#### § 67.12 Application for approval of programs.

A state that wishes to administer a section 120 program shall submit an application in writing to the Administrator describing its proposed program. All necessary supporting materials shall accompany the application.

#### § 67.13 Approval.

(a) The Administrator shall evaluate any application submitted under § 67.12 and shall:

- (1) Approve the program and delegate authority to the State to administer

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the program if he determines that the requirements of § 67.11 have been and will be met; or

(2) Request additional information if he determines that the information submitted is not sufficient to allow him to determine whether the requirements of § 67.11 have been and will be met; or

(3) Disapprove the State program if he determines that the information submitted establishes that the requirements of § 67.11 have not been or will not be met.

(b) The Administrator shall notify the State in writing of his action under paragraph (a) of this section and shall state the reasons for his action.

(c) In all cases of delegation (whether or not express provision is made in the notice of delegation) the Administrator shall retain continuing authority to issue notices of noncompliance, review exemption requests or penalty calculations, or take any other steps set forth in part 66 to assess and collect these penalties. Such authority shall be exercised pursuant to the provisions of § 67.21.

(d) The Administrator shall retain exclusive authority to assess and collect penalties against source owners or operators of facilities in the State who were issued notices of noncompliance pursuant to part 66 prior to the effective date of the delegation, except to the extent the Administrator specifically delegates such authority to the State.

### § 67.14 Amendments to the program.

A State or local agent with a program approved pursuant to § 67.13 may propose amendments to that program to the Administrator. The Administrator shall evaluate whether the State or local agent's program as amended would conform to the requirements of § 67.11 and shall respond as provided in § 67.13.

### § 67.15 Revocation.

If the Administrator determines that a State with a program approved under § 67.13 is not administering the program in conformity with the requirements of the Act or § 67.11, or the delegation of authority, he shall provide the State written notice of that determination,

setting forth his reasons. Copies of all supporting materials shall accompany the notice if requested, or shall be placed on file in the appropriate Regional Office and made available for inspection during normal business hours. The State shall have 90 days in which to respond in writing to this determination. If the Administrator finds after reviewing the State response that (a) the State is in fact administering the program in conformity with § 67.11, or (b) there are reasonable grounds to believe the State program will immediately be brought into conformity with that section, he shall withdraw his determination. If he finds that neither of these conditions has been met, he shall withdraw the delegation of authority to the State.

## Subpart C—Federal Notice of Noncompliance to Sources in States With Approved Programs

### § 67.21 Federal notice of noncompliance to owners or operators of sources in States with approved programs.

(a) The Administrator shall issue a notice of noncompliance to the owner or operator of any source in a State with an approved program if he determines that the State or its local agent has failed to issue such notice, provided that he shall first give 30 days notice to the State of his intent to issue a notice of noncompliance to the owner or operator of the source in question unless the State or its agent does so first. Any notice issued by the Administrator pursuant to this section shall be deemed to be issued pursuant to the provisions of part 66.

(b) The issuance of a notice of noncompliance shall operate to withdraw EPA delegation of authority to the State with respect to the particular facility in question.

(c) If the Administrator determines that the State or local agent has issued a notice of noncompliance but has failed to pursue diligently subsequent steps for the assessment and collection of the penalty, he shall notify the State of his intent to withdraw delegation of authority to the State with respect to the facility in question and